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OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

TO : AF - Mr. Tasca

DATE: June 16, 1964

FROM : AFN - James J. Blake

SUBJECT: Harriman-Bell Meeting: June 18 (tentative)

Attached are copies of two memoranda which have been sent to Governor Harriman describing AF's interest in the future of the US aid program to Libya and its recommendations regarding the continued availability of expert technical advice to the GOL. I believe these two memoranda provide a sufficient basis for a useful discussion between Governor Harriman and Mr. Bell, and that no additional paper need be furnished. As you observed yesterday, the policy decision with respect to the phase-down of US aid to Libya has apparently been made. Consequently, unless Governor Harriman is prepared at this late stage to reopen that broad question, the best tactic would be for him to focus on the importance of AID leaving the door open to the provision of Libyan technical assistance to the Libyans, particularly in view of the untested character of the proposed private institution.

You may know that AID has apparently agreed to provide Henry K. Heuser, now Deputy Director, AID, Tunisia, to the Embassy, Libya as Economic Counselor. State, however, will have to fund him. Heuser has a good reputation and should be very helpful during the transition period to whatever new technical assistance arrangements are made.

Attachments:

Copies of two memoranda to Governor Harriman.

J.M. Razi 5/6/82

AF:AFN:JJBlake:gb
6/16/64

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TO : M - Governor Harriman

THROUGH: S/S

FROM : AF - G. Mennen Williams

SUBJECT: Meeting with AID Administrator Bell Concerning U.S. Expert Advice to Libya - ACTION MEMORANDUM

Discussion:

We understand that as suggested in my memorandum of May 28 concerning the future of U.S. expert advice to Libya, you are planning to meet in the near future with AID Administrator Bell and his Assistant Administrator for Africa, Hutchinson.

We have given the background of this problem in the May 28 memorandum.

We suggest you make the following points in our meeting with Mr. Bell:

1. We are concerned that the phase-out of AID will remove an important U.S. stimulus to proper use of Libya's oil revenues. The Embassy, itself, will not be in a position to meet this need.

2. We are not convinced that the proposed advisory foundation will do the job.

3. We believe AID should, until U.S. interests are clearly met through another alternative:

a. Retain funds for direct hire of new contracts or supplementing of U.S. advisors in Libya.

b. Retain a top AID man in Libya.

c. Provide an adequate AID staff to support their efforts.

Recommendation:

We recommend that you utilize the points above in our talk with Bell and Hutchinson of AID and obtain their agreement.

Approve_____

Disapprove_____

Concurrences:

AFN - Mr. Newsom AFI - Mr. Bling

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TO : M - Governor Harriman

THROUGH: S/S

FROM : Henry J. Tasca

SUBJECT: Future of US AID Operations in Libya - INFORMATION MEMORANDUM

Discussion:

Yesterday, June 17, I met with Mr. Hutchinson of AID concerning the future of AID operations in Libya. We believe we have reached understandings with AID on the following points and are seeking confirmation from AID:

1. Notwithstanding the eventual termination of the AID program in Libya, AID is prepared to examine sympathetically any opportunities for furnishing technicians and advisors to the Libyan Government where it would be in the US interest to do so.

2. Mr. Henry Heuser, who is scheduled to be the Economic Counselor of our Embassy in Libya, will also be accorded the title of AID Director for Libya.

3. Should Heuser feel a need for a middle-grade AID officer, Hutchinson would consider sympathetically the assignment of such an officer.

We understand you have misgivings regarding the proposed foundation for the provision of technical advice to the Libyans. We share your misgivings because we regard the foundation as an untested arrangement which may take some time to establish. Furthermore, with oil companies as chief participants, its efforts may be complicated vis-a-vis both the Libyan Government and the Libyan public.

As you recall, AF has gone along with this idea of a foundation, notwithstanding our misgivings, because of our belief that some mechanism was required to assure provision of technical advice to Libya in the absence of an AID Mission and in view of the high level decision that the present AID Mission should be terminated in a year or two.

Concurrences:

AFN - Mr. Blake AFI - Mr. Kling

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May 2, 1961

TO : M - Governor Harriman

THROUGH: S/S

FROM : AF - G. Mennen Williams

SUBJECT: Future of U.S. Expert Advice to Libya - ACTION MEMORANDUM

In response to your query to Henry Tasca regarding future aid to Libya, we submit the following additional information and comments.

1. There are already at present considerable numbers of foreign economic and technical advisors working in Libya. Attached is a recent list of these advisors with an indication of their special fields and periods of service. Although the lack of technically trained Libyan manpower points to a continuing need for such advisors from outside the country, it was the opinion expressed recently by an experienced and capable Libyan, the Under Secretary of the Ministry of Planning, that Libya is near the saturation point.

2. There may be some particular gaps left in the total pattern of advisor services in Libya when our AID mission phases out later this fiscal year. However, the most noticeable difference after Aid closes out will be that there will then be no American in Libya in the position which the USOM directors have held in recent years, i.e. an American who can work easily at the Cabinet level and who can draw on U.S. official and unofficial sources for technicians. The Economic Counselor will seek to fill this gap, but he will have many other duties as well. The presence of an IBRD advisor, a Frenchman named Neuville, to the Prime Minister and another IBRD advisor, Mr. Dhar, an Indian, to the Ministry of Planning means that though the U.S. will be more absent from the scene than before, the IBRD will still be represented at a high level.

3. The foregoing statements approach the subject from the economic standpoint, but in addition, we must consider the importance of our U.S. national interests in Libya as represented by the presence of Wheelus Air Base and the importance of continued Western access to Libyan oil. The Libyan oil industry is predominantly owned by U.S. companies. In the light of these specific U.S. national interests, it may be a serious new weakness for us that without some continued application of U.S. Government resources, such as the AID mission has provided in the past and at present, we will not be in a position to respond on the spot to Libyan requests nor to take initiatives readily ourselves.

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4. As we see it, the alternatives are:

a) continuation of an AID program designed to provide high level U.S. advice or

b) an institution supported by U.S. private foundations and U.S. private industry with some U.S. Government help, which could provide the high level advice and be the mechanism for recruiting U.S. advisors.

Recommendation:

In view of the foregoing, we recommend that you and I talk with Bell and Hutchinson of AID emphasizing your concern that the idea of a private foundation currently being pursued in AID may not meet our national needs and underlining also the need, until there is a clear and satisfactory alternative, to maintain an AID capability to meet technical assistance and advisory requirements.

Approve_____

Disapprove_____

Concurrences:

AFN - Mr. Newsom

AFI - Mr. Kling

Attachment:

List of foreign economic and technical advisors in Libya.

AF/AFN:GVMcClanahan:ch:5/26/64

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